

Memorandum

MIAMI-DADE
COUNTY

Date: May 5, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

Agenda Item No. 8(A)(4)

From: Carlos A. Gimenez
Mayor

Subject: Approval of Second Amendment to Development Lease and Concession Agreement
with Turnberry Airport Holdings, LLC, at Miami-Opa locka Executive Airport

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the Second Amendment to the Development Lease and Concession Agreement between Miami-Dade County and Turnberry Airport Holdings, LLC, for the premises at Miami-Opa locka Executive Airport (OPF), to provide for a 20-month extension to complete construction and to provide for a 40 year base term from the effective date of the Second Amendment.

SCOPE

OPF is located within Commissioner Barbara J. Jordan's District 1; however, the impact of this agenda item is countywide as OPF is a regional asset.

FISCAL IMPACT/FUNDING SOURCE

Turnberry will be required to pay annual land rent in the amount established by the Board, which is currently \$397,109.28 for approximately 41.4 acres. In addition, Turnberry will invest a minimum of \$17,000,000.00 for the design and construction of proposed hangars, a Fixed Base Operator (FBO) facility and associated ramp areas. Upon expiration of the lease, Turnberry will pay the Miami-Dade Aviation Department (MDAD) the fair-market rental value for the buildings and pavement, in addition to the land rent.

TRACK RECORD/MONITOR

Turnberry has an excellent record of rental payments. MDAD's Business Development Coordinator Maria Anon will monitor the contract.

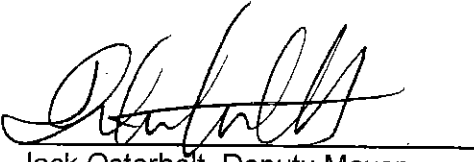
BACKGROUND

Pursuant to Resolution No. R-266-98, on March 17, 1998, the Board approved a Development Lease and Concession Agreement with JP Aviation Investments, Inc., under which JP Aviation committed to construct various facilities on designated portions of a 41.4-acre tract at OPF. The 1998 Agreement required JP Aviation to invest \$2,000,000.00 in improvements to provide general aviation services on the premises. The term of the agreement was 25 years for three (3) phases of development and 35 years for two (2) other phases.

Pursuant to Resolution No. R-718-05, on November 10, 2005, the First Amendment to the Agreement's original lease term (i) divided the premises into three (3) parcels; (ii) established an initial lease term of 30 years with a right of renewal for two (2) additional ten-year periods; (iii) approved the joint development sublease with Turnberry for construction of hangar facilities; and (iv) provided for JP Aviation's payment of rent on all three (3) phases as of the effective date.

Turnberry has become a substantial tenant at OPF. To date, Turnberry has spent approximately \$22,000,000.00 in first-class facilities and proposes to spend an additional \$17,000,000.00 for an FBO terminal building on the remainder of the premises. In order to obtain financing for this project, Turnberry has asked that the two (2) ten-year renewal terms be collapsed into the remaining initial term of the lease, for effectively a 40-year lease expiring in 2055, as approved by the Board in the First Amendment. This project exceeds MDAD's policy of requiring a tenant to invest not less than \$10,000.00 per acre (41.4) per lease year. Under that policy, Turnberry would be required to invest \$20,700,000.00 but Turnberry has already spent \$22,000,000.00 and will spend an additional \$17,000,000.00 for a total of \$39,000,000.00.

The Federal Aviation Administration has reviewed and accepted the proposed Second Amendment.


Jack Osterholt, Deputy Mayor




MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: May 5, 2015

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(A)(4)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(A)(4)
5-5-15

RESOLUTION NO. _____

RESOLUTION APPROVING SECOND AMENDMENT TO DEVELOPMENT LEASE AND CONCESSION AGREEMENT BETWEEN MIAMI-DADE COUNTY AND TURNBERRY AIRPORT HOLDINGS, LLC, FOR PREMISES AT MIAMI-OPA LOCKA EXECUTIVE AIRPORT TO PROVIDE FOR A 20 MONTH EXTENSION OF THE CONSTRUCTION PERIOD AND EXTENDING THE TERM OF THE AGREEMENT FOR 40 YEARS; AND AUTHORIZING MAYOR OR MAYOR'S DESIGNEE TO EXECUTE SAME

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by this reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the Second Amendment to the Development Lease and Concession Agreement between Miami-Dade County and Turnberry Airport Holdings, LLC, for premises at Miami-Opa locka Executive Airport to provide for a 20 month extension of the construction period and extending the base term of the agreement for 40 years from the effective date of this Second Amendment in substantially the form attached and authorizes the Mayor or Mayor's designee to execute same. The Mayor or the Mayor's designee is hereby directed to provide to the Property Appraiser's Office an executed copy of the Second Amendment within 30 days of its execution.

The foregoing resolution was offered by Commissioner _____, who
moved its adoption. The motion was seconded by Commissioner _____ and
upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of May, 2015. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Dm in

Thomas P. Abbott

SECOND AMENDMENT
TO
DEVELOPMENT LEASE AND CONCESSION AGREEMENT
BETWEEN
MIAMI-DADE COUNTY, FLORIDA, AS LESSOR
AND
TURNBERRY AIRPORT HOLDINGS, LLC, AS LESSEE

THIS SECOND AMENDMENT TO DEVELOPMENT LEASE AND CONCESSION AGREEMENT ("Second Amendment") to Development Lease and Concession Agreement between Miami-Dade County, Florida, as Lessor, and Turnberry Airport Holdings, LLC, as Lessee, Opa-Locka Airport (the "Airport" or "OPF") is made and entered into as of this ____ day of _____, 2015 (the "Effective Date"), by and between Miami-Dade County, a political subdivision of the State of Florida ("County") and Turnberry Airport Holdings, LLC, a Florida limited liability company ("Lessee").

WHEREAS, the County and JP Aviation Investments, Inc. ("JPAI") entered into that certain Development Lease and Concession Agreement on March 17, 1998, with an effective date of April 7, 1998, as amended by that First Amendment to Development Agreement and Concession Agreement effective as of November 10, 2005 (the "First Amendment") (as amended, the "Agreement") for the lease and development by JPAI of approximately 41 acres (the "Premises") located at the Airport;

WHEREAS, JPAI assigned all of its rights under the Agreement to Turnberry Airport Holdings, LLC on June 27, 2014 (the "Assignment"), which was approved and consented to by the Miami-Dade Aviation Department;

WHEREAS, as a result of the Assignment, Turnberry Airport Holdings, LLC, is the "Lessee" under the Agreement;

WHEREAS, the legal description for the Premises are as set forth and depicted on Exhibit "A". The Premises have been divided into three phases (each a "Phase") as set forth on Exhibit "B".

WHEREAS, the Lessee and its affiliates have substantially developed the Premises and are desirous of further developing the remaining vacant parcels of the Premises;

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WHEREAS, the initial term of the lease rights under the Agreement is for 30 years (commencing as of November 10, 2005), with the right, upon mutual agreement of the parties, to extend the term of the Agreement for two (2) additional renewal terms of ten (10) years each (for a maximum lease term of 50 years);

WHEREAS, in order to accommodate the interests of the Lessee in facilitating the financing of the further development of the Premises, the parties desire to amend the Agreement to provide for a single lease term commencing on the Effective Date of this Second Amendment, with an expiration of the Agreement to occur forty (40) years thereafter;

WHEREAS, the Lessee understands and acknowledges that the obligations of the Agreement shall continue in full force and effect except as specifically modified by the terms of this Second Amendment.

NOW, THEREFORE, in express consideration of the foregoing premises and of the mutual covenants and agreements herein contained, the parties agree as follows:

1. Truth of Recitals. The above recitals are true and corrected and are incorporated herein by reference.

2. Change to Term of Agreement. Article 1.01(A) entitled "Lease and Term" (as written in the First Amendment), is hereby deleted in its entirety and replaced with the following:

1.01(A) Lease and Term: The County hereby leases to the Lessee and the Lessee leases from the County the premises set forth in Article 1.01(B) hereof (the "Premises"), for the purposes and uses set forth in Article 2 (Use of Premises) and Article 4 (Improvements) hereof. The Term of the Agreement shall commence on the date of the Second Amendment (the "Effective Date"), with rental payments to be made on each portion of the Premises in accordance with the schedule provided in Article 3 below, and shall continue and extend for a forty (40) year period from the Effective Date.

3. Change to Remaining Construction Obligations. Articles 4.12 and 4.13 (as written in the First Amendment), are hereby deleted in their entirety and replaced with the following:

4.12 Time to Construct New Facilities: Notwithstanding anything in the Agreement to the contrary, the Lessee is hereby granted a period of twenty (20) months from the Effective Date of this Second Amendment to complete the construction of all new hangar and other facilities on the Phase 3 Premises and obtain Certificates of Occupancy or Use for all new construction (hereinafter referred to as the "New Build-Out Phase"). In addition, Lessee or its sublessees shall obtain building permits for such construction within one (1) year from the Effective Date of this Second Amendment. Such twenty month period may be extended at the County's discretion if Lessee demonstrates that Lessee or its sublessees were unable

to complete such construction because of circumstances beyond Lessee's or the sublessees' reasonable control. If Lessee fails to complete all new construction required on Phase 3 within the twenty month period of time, or within any extended period of time permitted by this Article 4.12, the County shall have the right to terminate Lessee's rights to continued use of the entire Phase upon County's written notification to Lessee of such termination.

4.13 Required New Facilities: Notwithstanding anything else in the Agreement to the contrary, Lessee's remaining Minimum Development Investment for Phase 3 shall be the construction of (A) not less than 85,000 square feet of aircraft storage/service hangars and facilities consisting of (i) two (2) 30,000 sq. ft. hangars, and (ii) a 25,000 sq. ft., three (3) story FBO building, and (B) eight (8) acres of ramp space. Facilities on the Premises as the Effective Date of this Second Amendment shall not count toward such Minimum Development Investment.

4. Minimum Investment Requirement. In accordance with Section 4.14 of the Agreement, Lessor acknowledges, upon information and belief, that Turnberry Airport Holdings, through its affiliates Turnberry Airport Hangars, Turnberry FBO and SFAI have, based on the loan from Florida Community Bank, already invested \$22,000,000 in the existing facilities and, based on statements in documents expressing its or their intent, intends to invest another \$17,000,000 for the new FBO facilities.

5. Ratification. Except as specifically amended by the terms of this Second Amendment, the terms of the Agreement shall continue to apply in full during the entire duration of this Agreement

[SIGNATURES APPEAR ON NEXT PAGE]

**[SIGNATURE PAGE 1 OF 1 TO SECOND AMENDMENT
TO DEVELOPMENT LEASE AND CONCESSION AGREEMENT]**

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed by their appropriate officials as of the date first written above.

WITNESS:

**BOARD OF COUNTY COMMISSIONERS
OF MIAMI-DADE COUNTY, FLORIDA**

Print Name: _____

By: _____
Name: Carlos Gimenez
Title: Mayor

Print Name: _____

ATTEST:

Harvey Ruvin, Clerk

By: _____
Name: _____
Title: Deputy Clerk

Alma Rodriguez
Print Name: Alma Rodriguez

**TURNBERRY AIRPORT HOLDINGS,
LLC, a Florida limited liability company**

Stacey Jones
Print Name: Stacey Jones

Jeffrey Soffer
By: _____
Name: Jeffrey Soffer
Title: Managing Member

EXHIBIT "A"

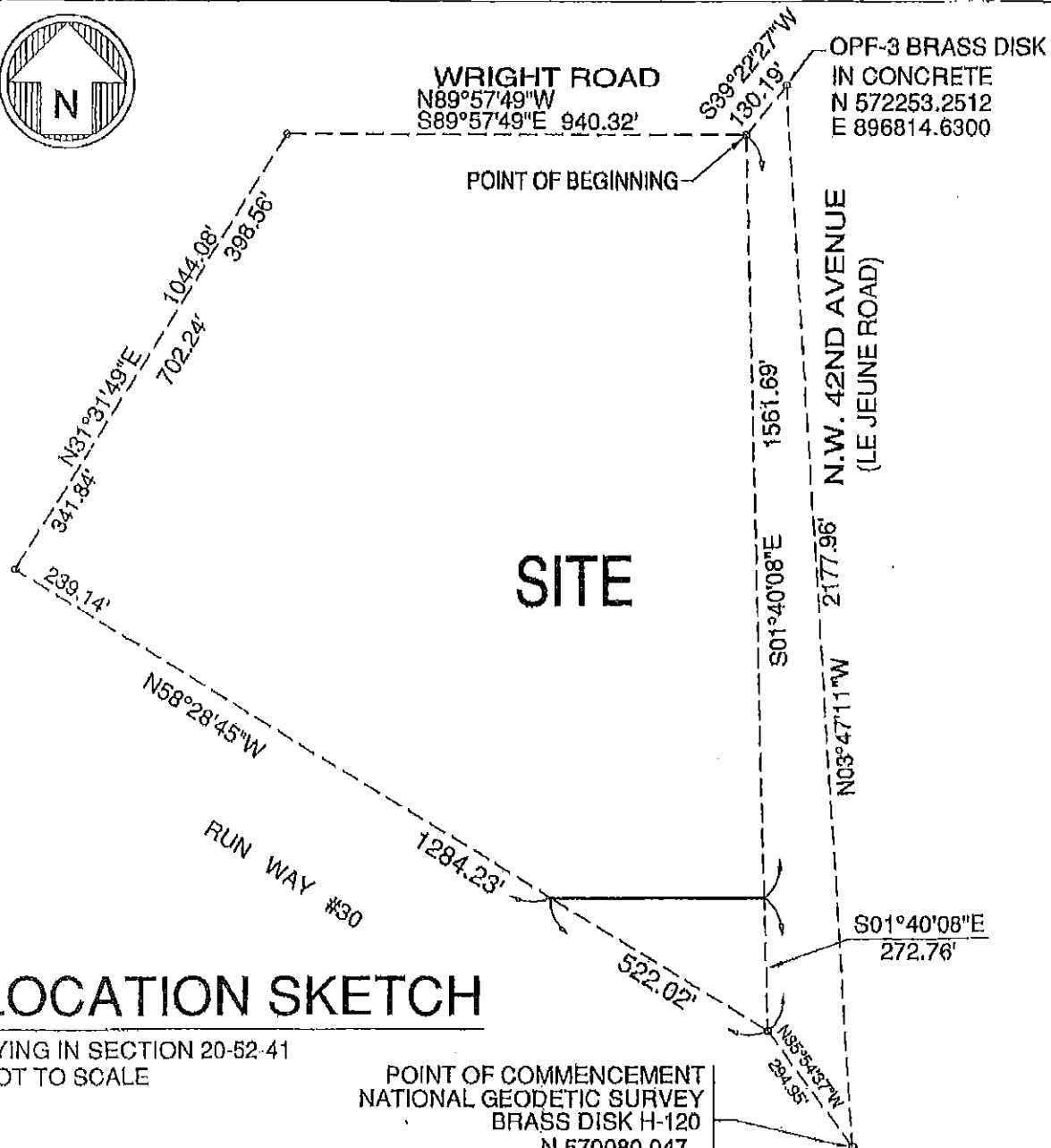
EXHIBIT "A"

LEGAL DESCRIPTION:

PARCEL A:

A parcel of land lying in Section 20, Township 52 South, Range 41 East, Miami-Dade County, Florida being more particularly as follows:

Commence at a found National Geodetic Survey (NGS) brass disk identified as H-120 having state plane coordinates North 570080.047 and East 896858.4619; thence North 03°47'11" West for 2,177.96 feet to a found brass disk in concrete identified as OPF-3, having state plane coordinates North 872253.2512 and East 896814.6300, located in the pavement of Le Jeune Road, being North of the centerline of Wright Road; thence South 38°22'27" West for 130.19 feet to the Point of Beginning of the hereinafter described parcel of land; thence South 01°40'08" East for 1,561.89 feet; thence South 01°40'08" East for 272.76 feet; thence North 58°29'28" West for 522.02 feet; thence North 58°29'28" West for 1,284.23 feet; thence North 31°31'49" East for 1,044.08 feet; thence South 89°57'49" East for 940.32 feet to the Point of Beginning.

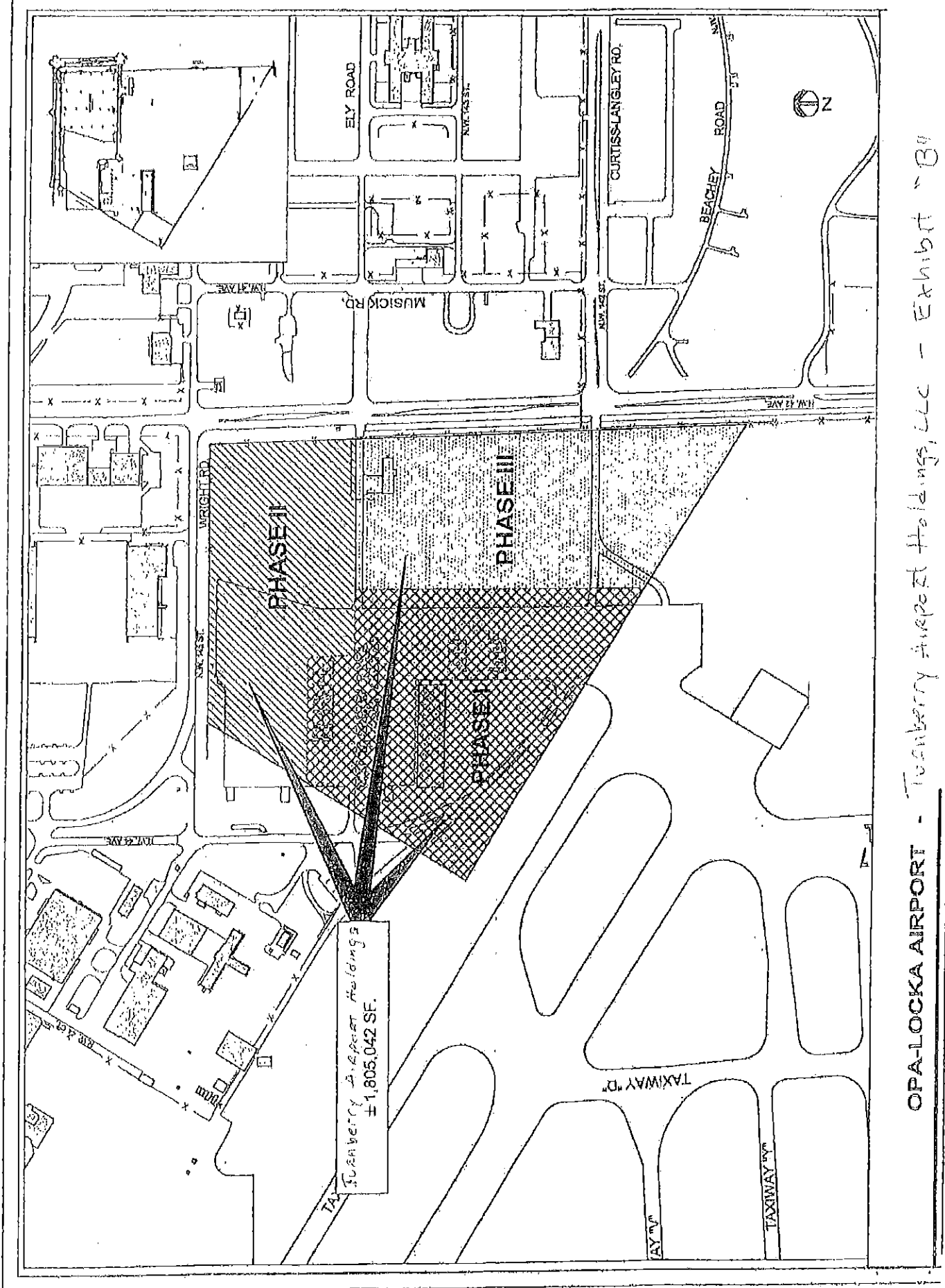


LOCATION SKETCH

LYING IN SECTION 20-52-41
NOT TO SCALE

POINT OF COMMENCEMENT
NATIONAL GEODETIC SURVEY
BRASS DISK H-120
N 570080.047
E 896958.4619

EXHIBIT "B"



OPA-LOCKA AIRPORT - Turnberry Airport Holdings, LLC - Exhibit "B"